

ABSTRACT

Determination of cost of production in a company is very important, because of the cost of production, the company can determine how much the selling price should be set for these products. Importance of the accuracy of the price calculation for the cost of production is required to know the real cost in producing a product, so as to determine the appropriate selling price, the sale price is not too high and the price is too cheap. For the purposes of calculating an accurate cost of production one of the methods that can be applied is by Boons approach.

Boons approach was to combine the advantages of activity based costing (ABC) with a more realistic model of a complex manufacturing process making it possible to monitor manufacturing performance in more detail. Calculation of the cost of production by Boons approach by allocating resources to the respective consumption - each tailored to the manufacturing process and usage costs in detail so that the cost of production accurately produced according to resource consumption.

Based on the results of analysis of production cost to produce Boons approach the cost of production (PCPj) which is smaller than the company's methods, This is because in the calculation of the cost of production, the company does not undertake the costings process in detail. Cost calculation is not adjusted with the use of real costs but only an estimate. Imposition of fees is charged by the company based on the complexity of the product so that the calculation is not appropriate to calculate the cost of production because it does not reflect the resource consumption is complete and accurate.

Keywords: Cost of Production (GPP), activity based costing (ABC), Product cost process (PCP)